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UNITED STATES DEPARTMENT OF AGRICULTURE

Agricultural Stabilization and Conservation Service

The 1962 Feed Grain Program

For

Corn and Grain Sorghum

A General Explanation

Received by: *CS*  
Indexing Branch *Cu*

The 1962 feed grain program, enacted by the Congress in its Agricultural Act of 1961, is a voluntary plan designed to continue reduction of burdensome oversupplies. Based on the success of the 1961 emergency feed grain program, the 1962 program has only a few changes other than the addition of barley to the program.

Substantial headway toward a more realistic relationship between supplies and need in the feed grain industry has been made. Under the 1961 emergency program, production of feed grains was brought below utilization for the first time since 1952, even though crop conditions were excellent last year.

The 1962 program again provides for the voluntary reduction of corn and grain sorghum acreage from the 1959-60 base for these crops on individual farms. Farmers who make the reductions will receive payments for diverting the former corn or grain sorghum acreage to conservation uses. In addition, producers (other than certain producers of malting barley) must not exceed their barley feed grain base in order to be eligible for payment.

Because fall-seeded barley growers would be 1962 program participants, full details of the 1962 barley program were announced previously. Fall-seeded barley accounts for about one-third of U.S. barley plantings and growers have agreed to divert from production about 23 percent of this acreage.

Growers can sign up for participation in the 1962-crop corn and grain sorghum program, and spring barley program during the period February 5 through March 30. For the convenience

of farmers, the signup will be simultaneous with that for spring wheat under the 1962 wheat stabilization program as enacted in the Agricultural Act of 1961. (Fall seeded wheat signup took place at the same time as that for winter barley, and was concluded December 1, 1961.)

Cooperators may, except where double cropping is involved, pasture acreage to be diverted until May 1. Diverted acreage will be designated by participants at the time a check is made for compliance.

Principal points of the 1962 feed grain program are:

1. Voluntary participation.
2. Acreage diversion. Not less than 20 percent of the base acreage of corn and grain sorghum (1959-60 average), as adjusted can be signed up. Additional acreages can be diverted.
3. Producers (other than certain producers of malting barley) must not exceed their barley feed grain base. (ASCS offices have full details on the malting barley program.)
4. On each other farm in which the producer shares in the crops, the corn and grain sorghum feed grain base and the barley feed grain base must not be exceeded.
5. Payments "in kind" based on yields and support prices will be made on acreage diverted from feed grains to soil conserving uses.
6. Advance payments. Up to about one-half of the amount will be paid at signup time as an advance payment.
7. Price support on corn, grain sorghum, barley, oats, and rye may be received only by co-operators. Price support on corn, grain sorghum,



and barley is limited to the normal production of acreages planted to feed grains. Levels of support will be the same as those announced for the 1961 crops.

Feed grain producers who cooperate with the Government in the effort to bring supplies more in line with demand thus will receive financial re-

turns for retired acreage and support prices on the crops which they grow. Since the program is entirely voluntary, those who elect not to sign up in the program thus indicate they do not wish to be eligible for price support. They will be free to dispose of their crop in any way and at any price they can get.

## The Feed Grain Situation

At the beginning of 1961 marketing year, stocks of all feed grains totalled 84.4 million tons of which 75.6 million tons were corn and grain sorghum, with 74.4 million tons owned or controlled by CCC. In the period from 1956 to 1961, annual production of feed grains increased by nearly 30 percent. The Commodity Credit Corporation investment in these grains, as a result of unlimited production and the operation of the price support program, had doubled in the period between 1956 and 1961.

Because of the high degree of cooperation by farmers who recognized the need for bringing supply into balance, and wished to assist their

Government in reducing its costs, the 1961 emergency feed grain program has accomplished the three goals set for it:

1. Government stocks of feed grains were reduced—the first time since 1952 that production was brought below utilization.

2. Costs to the Government were reduced. Because of the cut in production by cooperating farmers, costs of storage and handling the 1961 crop of corn and grain sorghums Government inventory over the next 8 to 10 years will have been substantially reduced.

3. Farm income was increased.

## The Feed Grain Program

The general feed grain program has the following objectives:

1. To increase farm income.
2. To further reduce the buildup of feed grain surplus.

3. To reduce Government costs of farm programs.

4. To reduce the risk of serious overproduction of meat, poultry, and dairy products.

5. To assure consumers fair and stable prices for meat, poultry, and dairy products.

## Corn-Grain Sorghum Part in Program

### General

All producers of corn and grain sorghum who produced these grains in 1959 and/or 1960 are eligible to take part in the feed grain program under which the acreage of corn and grain sorghum is reduced and diverted to conservation uses. The program is voluntary, but participation by farmers who produce corn and grain sorghum is required if they want to be eligible for price support on their 1962 crops of corn and grain sorghum. Oats and rye will be eligible for price support only if the farm participates and is in compliance with either the barley program or the corn-grain sorghum program (unless there is no feed grain base established for these commodities and no acreage of these commodities is produced in 1962).

A general explanation of the program and the

requirements for taking part—becoming a co-operator—are given on the following pages.

### Producer Declares Intention

County Agricultural Stabilization and Conservation (ASCS) offices (generally known as the "ASC" offices) will have forms on which a farmer may declare his intention of cooperating in the program. Most farmers will want to make their decision based on the following:

1. The applicable corn and sorghum bases.
2. The rates of payment per acre for corn and grain sorghum.
3. Conservation uses to which the diverted corn or grain sorghum acreage must be devoted.
4. A general knowledge of the program obtained by attending scheduled community information meetings.



### Farm Acreage Information

The county ASCS office will again use the farm acreage information for all crops for 1959 and 1960 in the establishment of a corn and/or grain sorghum base for a farm. Most farmers supplied 1959- and 1960-crop acreage information to ASCS offices for the 1961 program. Other farmers who may be interested in cooperating in the program should supply their county ASCS offices with this necessary acreage information as soon as possible.

### Notice of Base

County ASCS offices will determine corn and grain sorghum base acreages, yields and rates of payment and barley base acreages for all farms known to have produced feed grains in 1959 and 1960. The operator or owner of each farm for which the county office has the necessary acreage information will then receive for his farm a notice of the determinations of the county ASC committee. The approved conservation uses were released last fall with the wheat and barley programs. (See page 5.)

### Extent of Reduction

The minimum acreage for diversion from corn and grain sorghum, to qualify as a cooperator and to be eligible for price support, is calculated from the established base for a farm. The minimum reduction is 20 percent of the base. If both crops are grown on the same farm, the reduction for both crops may be made in either crop or part in each crop. If this is done, the payment will be made for the crop acreage actually reduced—if the reduction for corn and for grain sorghum is made in grain sorghum acreage, the payment will be figured on grain sorghum.

The maximum acreage that for payment can be diverted to conservation uses varies depending upon the size of the farm base.

If the farm base is 25 acres or less, the base becomes the maximum diversion; if the farm base is in excess of 25 but not more than 100 acres, the maximum diversion is 20 acres plus 20 percent of the base; and if the farm base is more than 100 acres, the maximum is 40 percent of the base.

For example: If a farm has a base of 80 acres, the minimum acreage to be diverted for the farmer to be a cooperator is 20 percent of 80 acres or 16 acres.

The maximum acreage for diversion under the program would be 20 acres plus 20 percent of the base (16 acres) or 36 acres.

For example: On an 18-acre base farm the minimum acreage for diversion would be 20 percent

of 18 acres or 3.6 acres and the maximum would be 18 acres.

### Total Acres of Conservation Use

For each acre diverted from the production of corn and grain sorghum on a farm, there must be an additional acre on the farm devoted to conserving uses in 1962. In other words, the cropland acres devoted to conservation under the feed grain program must be in addition to the farm's average acreage devoted to conservation use for 1959 and 1960, and the acreage diverted under the 1962 barley and wheat programs.

### Permitted Acres

Each cooperating farm will have a "permitted acreage" for corn and grain sorghum after the farm operator decides on how many acres he wants to divert from corn and grain sorghum production. The permitted acreage is figured by subtracting the intended diverted acreage from the base determined for the farm. The permitted acreage becomes the largest acreage of corn and grain sorghum that can be produced on the farm in 1962 if the producer is to receive the maximum payment under the program.

### Eligibility for 1962-Crop Price Support

1. For corn and grain sorghum there must be a minimum reduction of 20 percent from the 1959-60 average acreage of these crops, and the producer (other than certain producers of malting barley) must not exceed the farm's barley base.

2. For barley there must be a minimum reduction of 20 percent in the average 1959-60 barley acreage, and the producer must not exceed the farm's corn and grain sorghum base. The required reduction does not apply to certain producers of malting barley.

3. A grower of oats and rye will be eligible if the farm complies with either the corn-grain sorghum program or the barley program.

### Price-Support Rates

Price support rates for the various feed grains at the national level will be the same as for the 1961 crops. They are:

Corn: \$1.20 bu.	Barley: 93¢ bu.
Grain Sorghum: \$1.93 cwt.	Oats: 62¢ bu.
	Rye: \$1.02 bu.

### Payment Rates

Each county will have two county average rates of payment per acre established for corn and two



or grain sorghum. One of these rates will be based on 50 percent of the county normal yield per acre times the county support rate. The other rate will be based on 60 percent of the county normal yield per acre times the county support rate.

Each farm participating in the program will be assigned a productivity index indicating the relationship of the productivity of the farm in relation to the county average yield. Farm payment rates will be the county rate times the farm productivity index. The rates for each farm will be a part of the notice mailed to each farmer who has filed an acreage report with the county ASCS office if he has a record of corn or grain sorghum acreage for 1959 or 1960. To the extent that a producer can provide acceptable proof of the actual yield for the farm, such yield will be used.

The rate which is based on 50 percent of the assigned normal yield for a farm applies to each acre of the first 20 percent diverted from the farm base acreage. It is also the rate of payment for each acre diverted in excess of 40 percent of the base on farms where the base does not exceed 100 acres.

When more than 20 percent of the base for a farm is diverted, the rate per acre—based on 60 percent of the assigned normal yield for the farm—applies to each acre between 20 percent and 40 percent of the base.

#### Payment When Base Is From 20 Acres to 100 Acres

The provision for two rates of payment for farms with bases from 20 acres up to 100 acres works in this way:

Using the farm with an 80-acre base:

Assume payment rates of \$30 an acre for the lower payment rate (based on 50 percent of normal production) and \$36 for the larger payment rate per acre.

(1) If only the minimum number of acres is diverted, the \$30 rate would apply. So the payment would be 20% of  $80 \times \$30 = \$480$ .

(2) If the maximum diversion (20 A. plus 20% of 80 A. = 36 A.) is made on the farm, there would be 20 percent of the base at the lower or \$30 rate; and the second 20 percent of the base would be at the \$36 rate. Since this accounts for only 32 acres of the diversion, there is an additional 4 acres at the \$30 rate.

16 acres at \$30 = \$480  
16 acres at \$36 = \$576  
4 acres at \$30 = \$120

Total payment \$1,176

#### Payment When Base Is Less Than 20 Acres

Assume a farm with a base of 15 acres and payment rates of \$30 and \$36. If only the minimum diversion is made, the payment would be for 20 percent of 15 acres or 3 acres  $\times \$30 = \$90$  total payment, with all diverted acres at the same rate.

If the maximum diversion is made on this farm, the entire base could be diverted since the base is less than 20 acres.

The payment would be figured in this way:

3 acres at \$30 = \$90  
3 acres at \$36 = \$108  
9 acres at \$30 = \$270

Total payment \$468

#### Payment When Base Is More Than 100 Acres

Assume a farm with a base of 140 acres and payment rates per acre of \$14.50 and \$17.40.

If the diversion is the minimum, the payment would be:

20% of 140 = 28 A.  
28  $\times$  \$14.50 = \$406

If the diversion is the maximum, the payment would be:

20% of 140 A. = 28 A. at \$14.50 = \$406.00  
20% of 140 A. = 28 A. at \$17.40 = \$487.20

Total payment..... \$893.20

#### Use of Diverted Acres

An acreage equal to the acreage diverted from corn and grain sorghum, in addition to the acreage diverted from barley and wheat, must be devoted to approved conservation uses. In addition to the acreage on the farm normally devoted to conservation uses, summer fallow and idle land must be maintained.

The diverted acreage devoted to conservation uses cannot be grazed after May 1 or a crop harvested from it in 1962. In addition, weeds, rodents, and insects must be controlled on the diverted acreage as directed by the county ASC committee.

The acreage representing the usual acreage of conservation use on the farm also may have special requirements. Information as to these may be obtained from the county committee.

#### Planting Diverted Acres to Castor Beans, Guar Beans,

#### Safflower, Sesame, or Sunflowers

A part or all of the diverted acreage may be planted to castor beans, guar beans, safflower, ses-



ame, or sunflowers. Producing these crops on diverted acreage will make the acreage so planted ineligible for payment. However, diverted acreage planted to these crops will count in meeting the minimum diversion requirement for feed grains produced on the farm.

### Conservation Uses

The diverted acreage may be devoted to the following conservation uses:

1. Permanent-type rotation cover of grasses and legumes.
2. Temporary cover of grasses, legumes, or small grains.
3. Water storage.
4. Wildlife food or habitat plantings.
5. Trees or shrubs.
6. Cropland in volunteer natural cover or in protected summer-fallow if the county committee determines that the establishment of other approved conservation uses is impracticable within this general classification.

### The ACP and Diverted Acres

Aid under the ACP or the Great Plains program in establishing conserving uses on diverted acres will not make the farm ineligible under the feed grain program, provided the grazing and harvesting restrictions of the feed grain program are followed. If the county ASC committee so desires, it may approve ACP cost-share on the conservation-use acres. This assistance is not guaranteed.

### Making Payments

All payments will be in the form of a negotiable certificate for which a producer may receive a cash advance if he wishes CCC's assistance in the marketing of the certificate. A cooperator who redeems his certificate in grain may feed the grain or sell it on the market.

### Division of Payments

Where a division of the payment is to be made between a landlord and a tenant, the division will be shown on the application for payment. County ASC committees have the responsibility to satisfy themselves that the division of payments is fair

and that both the landlord and the tenant agree to the division.

### To Participate

To cooperate in the 1962 feed grain program, the following steps should be taken: A farmer first supplies his county ASCS office with an acreage report if that was not done under the 1961 program. That report should include the acreage and crops produced on his farm in 1959 and 1960. (Most farmers have already supplied this information to the county ASCS offices.)

On the basis of the information filed by the farmer, the county ASC committee will establish a base for the farm. If the farmer has been producing only corn, the base will be derived from the production of corn, or, if only grain sorghum is produced, the base will be derived from production of grain sorghum. If both are produced, the base will be derived from both. In addition, the county committee will determine the rates of payment for the farm.

A notice of these determinations will be sent the farmer by the county committee.

The next step is for the farmer to complete and file at the county office, not later than the final date (March 30, 1962), an intention-to-participate form. If he wants an advance payment, he will so indicate at that time. After these forms are filed, the farmer will then have the responsibility of (1) diverting from corn and grain sorghum the number of acres indicated on the intention-to-participate form, (2) increasing his acreage of land in conservation use, as called for by his diversion, (3) not exceeding his barley feed grain base (except certain producers of malting barley), and (4) not exceeding his corn and grain sorghum feed grain base and his barley feed grain base on all other farms in which he shares in these crops.

### Advance Payment

At the time he files his intention-to-participate form, he may also make a request to the county ASCS office for an advance payment not to exceed one-half his estimated total payment for participation in the program. If he takes an advance payment, he will receive the balance of his payment when performance on the farm has been established.



### A Cooperator Has These Advantages

1. Price support will be available for his 1962 production of corn, grain sorghum, barley, oats, and rye.
2. The income from the acres diverted is assured regardless of drought, flood, insects, hail, or crop disease.

3. For most producers of corn and grain sorghum, the payment on the diverted acreage will be greater than the net income from a normal crop on these acres.

4. An advance payment not to exceed one-half of the estimated total payment will, at the cooperator's request, be made at the time of signing up or as soon as possible after that time.

## The 1962 Barley Program in Brief

In general, operating provisions of the 1962 feed grain program for barley are also similar to those in effect for the 1961 feed grain program for corn and grain sorghum.

Producers who divert 20 percent of their barley base acreage to conserving uses will receive a payment. The payment will be equal to 50 percent of their normal production on their diverted acres times the 1962 county support price. Acreage reductions of up to an additional 20 percent may be made at a higher payment. Payment for this additional acreage reduction will be determined at the rate of 60 percent of normal production. As in the case of the 1961 feed grain program, there are special provisions permitting a small producer to divert up to 20 acres. Barley producers who participate in the program will be required to devote the acreage diverted to conserving uses. This will be in addition to their

normal acreage of cropland devoted to conserving uses.

Barley producers who participate in the program will be eligible for price support in 1962. However, producers of acceptable malting varieties of barley will not be required to reduce barley acreage as a condition of eligibility for price support on barley or corn and grain sorghum, if their barley acreage does not exceed 110 percent of the average 1959-60 acreage. For barley support, they must not exceed their 1959-60 average corn and grain sorghum acreage. To be eligible for corn and grain sorghum price support, they must participate in the 1962 feed grain program on these two crops.

(This explanation is provided to help in the general understanding of the 1962 feed grain program. It does not replace official instructions and regulations applicable to individual farm situations.)

